The Policy

What it does

Promotes the development of domestic energy sources, and initiates a review of the Clean Power Plan.

Synopsis

This Executive Order promotes the exploration and production of fossil fuels on domestic lands by removing or modifying current regulations, including reviewing the Clean Power Plan implemented by the previous administration and other agency rules, removing the moratorium on leasing federal lands for coal, and streamlining the approval process for oil and gas production, including the use of hydraulic fracturing (fracking) and similar techniques.

The purpose of the order is to instigate economic growth by increasing the development of domestic energy resources, improving national security by increasing energy independence, and limiting the government intervention when addressing clean air, clean water and environmental concerns by reducing the role of federal agencies in favor of regulation directly by Congress and the States.

The Order has six parts: first, it instructs the heads of agencies to review all rules and regulations which may burden the siting, permitting, production, utilization, transmission, or delivery of energy resources, with a specific focus on coal, oil, natural gas, and nuclear energy.

Second, the order revokes four executive orders and memorandums and three reports from the second term of the previous administration with a focus on climate change and greenhouse gas emissions. The rescinded regulations are:

- Executive Order 13653 of November 1, 2013 (Preparing the United States for the Impacts of Climate Change)
- The Presidential Memorandum of June 25, 2013 (Power Sector Carbon Pollution Standards)
- The Presidential Memorandum of November 3, 2015 (Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investment)
- The Presidential Memorandum of September 21, 2016 (Climate Change and National Security).

Third, the order initiates a review of the Clean Power Plan and its related rules, specifically rules related to carbon and greenhouse gas emissions from electric utility generating units. The Administrator of the EPA is tasked with reviewing the following rules and taking actions to suspend, revoke or revise the rules:

- Clean Power Plan: Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units (October 23, 2015)
- “Standards of Performance” for Greenhouse Gas Emissions from New, Modified, and Reconstructed Stationary Sources: Electric Utility Generating Units,” (October 23, 2015);

Fourth, the order disbands the International Working Group on Social Cost of Greenhouse Gases, and withdraws the group’s methods for producing cost-benefit analysis, reverting to protocol established in 2003. This will serve to eliminate the consideration of livelihood costs caused by carbon emissions on cost-benefit analysis for future
Fifth, the order instructs the Secretary of the Interior to withdraw the moratorium on leasing federal lands for coal production that was put in effect January 15, 2016. Finally, the Secretary of the Interior is instructed to review four rules on the allowed procedures for oil and gas extraction. The Secretary is tasked with suspending, revoking or revising the following rules:

- Oil and Gas; Hydraulic Fracturing on Federal and Indian Lands (March 26, 2015)
- General Provisions and Non-Federal Oil and Gas Rights (November 4, 2016)
- Management of Non-Federal Oil and Gas Rights (November 14, 2016)
- Waste Prevention, Production Subject to Royalties, and Resource Conservation (November 18, 2016)

The Order requires that a report of recommendations be submitted to the Office of Management and Budget (OMB) within 180 days (on or before September 24, 2017).

**Context**

**Law & Policy**

The Order is directly related to scaling back or eliminating the Clean Power Plan (CPP). Proposed by the EPA under the Obama administration in 2015, the CPP presents a pathway to limit U.S. greenhouse gas emissions by implementing state standards on carbon dioxide emissions from power plants. Under the CPP, states would be permitted to propose their own means to meet these standards, although the EPA would create plans for any states who chose not to submit one of their own.

Critics of the plan claimed that the EPA was overstepping its bounds and expanding beyond the scope of the Clean Air Act. Proponents celebrated the plan's environmental and public health benefits.

**History**

American domestic energy production currently meets the demand of about 86% of US consumption, with the difference made up largely by petroleum imports. Fossil fuels currently make up 78% of domestic energy production.

America's domestic coal production peaked in 2007, and has since decreased significantly. The decrease has been attributed to a decrease in demand, as power plants shift away from coal usage and towards natural gas. The Appalachian coal producing region has seen production decline by over 50% since 2008, while Western and Interior coal producing regions have been less affected. Natural gas production has increased significantly over the past decade (in large part due to technological advances related to hydraulic fracturing) after remaining steady for 30 years, but 2016 saw a slight dip in production from the 2015 peak.

Crude oil production in the U.S. had declined steadily from 1970 to 2008, when production reached its lowest point since World War II. Since 2008, new drilling technologies have resulted in a rapid increase in production (especially in Texas and North Dakota), which pushed U.S. crude oil production nearly to its 1970 peak in 2015, before regressing slightly in 2016.

This order is the first executive order issued by President Donald J. Trump with relevance to the energy sector in the United States, and represents a campaign promise to rescind or revise the majority of environmental regulations placed on energy production by the Obama administration.

This order also represents a first effort to fulfill a campaign promise to reinvigorate the economies of rural and semi-rural regions of the country that have historically relied on employment in large-scale energy production.

**The Science**

**Science Synopsis**

**Energy**

Fossil fuels (coal, oil, natural gas and other derivatives) provide energy through the process of combustion – in this process, fossil fuels are burned to produce electricity. These fuels are considered non-renewable, since the timeframe required for them to be replenished through geological processes is significantly longer than the rate at which they are being extracted.

The primary concerns for fossil fuel use are the functionally finite amount and the emission of carbon and other greenhouse gasses when these fuels are burned to generate energy. Coal is used predominantly for electricity generation and petroleum predominantly in the transportation sector, while natural gas is used rather evenly across industrial, residential and electricity generation needs.
Fossil fuel resources are spread unevenly across the United States. The top two coal producing states (Wyoming and West Virginia) produce more coal than the rest of the nation combined [43], and the top ten coal producing states account for nearly 90% of domestic coal production. Similarly, the top two crude oil producing states (Texas and North Dakota) produce more than the rest of the country combined, and the top ten producers provide nearly 95% of the nation’s oil. The top two natural gas producers (Texas and Pennsylvania) produce 46% of the country’s natural gas [45], and the top ten producers account for over 91% of the nation’s production.

**Economics**

Regions of the United States that were formerly reliant on domestic coal production have seen an **increasingly steep** decline in production since 2007, leading to widespread unemployment, declining school systems, and poor health outcomes. The coal industry is expected to rebound slightly in 2017 as the price of natural gas is forecasted to rise, but the construction of more natural gas power plants that will come onto the grid in 2018 may send coal production into a second decline.

In June, EPA director Scott Pruitt claimed that the coal industry had added 50,000 jobs in the past six months; however, Bureau of Labor Statistics data put that number at only 1,300. The vast difference in these numbers comes from inconsistent definitions of coal sector jobs, with larger numbers including general miners, loggers, electricians, surveyors, truck drivers, mechanics, and other supporting jobs which may be impacted in downstream industries. The wide variation between state and federal employment data makes it difficult to determine the precise impact of coal production on the economy.

The **oil and gas extraction industry** had added 60,000 jobs between 2007 and January 2015, but employment then decreased by 21,000 over the next two years. Since January 2017, employment began increasing again and is up 2,300 jobs.

**Environment & Public Health**

Continuing the lease of federal lands for coal production can have significant impacts on local environment through habitat loss, land disruption and water contamination. Development of new coal mines is generally not less damaging even with technological advances since new mines target deeper, previously unreachable coal seams. Water supplies near coal mines incur increased acidity, hardness and bacterial contaminants.

A majority of relevant experts also conclude that changes in the climate are due in significant part to increases in carbon emissions. During combustion, hydrocarbon based fossil fuels react with oxygen, resulting in the emission of carbon dioxide into the atmosphere. It is estimated that 71% of man-made carbon dioxide emissions are the result of burning fossil fuels.

Increasing amounts of carbon in the atmosphere also acidifies the world’s oceans, a major cause for the steep decline of coral reefs globally. Increased greenhouse gasses in the atmosphere are also believed to increase storms and create wider seasonal variability in rainfall, leading to humanitarian issues of disaster relief, sudden flooding, and prolonged drought. Business as usual models project that these effects will amplify exponentially within the next thirty years, suggesting an immediate need for adjustments in emissions policy.

Decreases in greenhouse gas emissions are expected to improve local health. The EPA estimates between $34-$54 billion saved in public health benefits from the Clean Power Plan, with significant reductions in asthma, heart attacks, premature deaths, and general sick days.

**The Debate**

**Endorsements & Opposition**

Endorsements of the order have celebrated the removal of regulatory strains, an increase in domestic energy jobs and increased national security due to energy independence. Opposition has argued that the order will have little economic benefit, increases the risk of significant environmental damage, furthers American dependence on a limited supply of fossil fuels, and endangers public health from air and water pollution.

Endorsements:
- The Heartland Institute. Publication (March 29, 2017)

  *Reason:* "It is in the national interest to promote clean and safe development of America’s vast energy resources, while at the same time avoiding regulatory burdens that unnecessarily..."
encumber energy production, constrain economic growth, and prevent job creation, while simultaneously ensuring access to affordable, reliable, safe, secure, and clean electric power supplies. Because of this, Trump signed a number of executive orders aimed at producing domestic energy independence."

Opposition:

- The Sierra Club, Blog[62] (March 29, 2017)
  
  Reason: The order “exaggerates the cost of clean energy measures while entirely ignoring the health and climate benefits of reducing carbon pollution. The EPA’s own analysis found that, through efficiency savings, the Clean Power Plan will ultimately save consumers money on their electric bills, and that the rule’s climate and health-related benefits will outweigh its modest compliance costs by billions of dollars per year. It will also help create jobs in the clean energy and energy efficiency sectors, which already employ far more workers than the fossil fuel industry.”

  
  Reason: "The EPA had previously estimated substantial benefits from the CPP, including $14-34 billion in benefits accruing just to health, with 3,600 premature deaths, 1,700 heart attacks, 90,000 asthma attacks, and of 300,000 lost work and school days avoided every year. These are significant impacts that Trump’s EPA will have to justify abandoning—both to constituents and to the courts.”

Status

This order was issued by President Donald J. Trump on March 28, 2017. A Presidential Memorandum[64] clarifying parts of this executive order was issued on May 8, 2017.

Recommended Citation


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